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ABSTRACT

The proceedings of a seminar on corporate loyalty and the contributions of a liberal arts curriculum to this quality in the workplace are presented. They include the keynote address by Tadao Okabe and panel presentations by Paul R. Verkuil, Paul MacCowatt, Vinson Sutlive, Thomas T. Tilghman, George N. Appell, Herrington J. Bryce, Hans Tiefel, and R. Edward Freeman. A foreword notes two models of loyalty emerging from the discussion: in the first, loyalty is portrayed as selfless, with the expectation of no personal return or reward; in the second, it is portrayed as cooperation and mutual respect with employee, corporation, and community on an equal footing. (MSE)

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CORPORATE COUNCIL ON THE LIBERAL ARTS

In affiliation with the
Center for Advanced Study in Education
of The Graduate School and University Center
of The City University of New York

WORKING PAPER /4

This paper is one in a series of policy statements on the relationship between liberal education and careers in business.

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CORPORATE COUNCIL ON THE LIBERAL ARTS, established in 1984, with support from CBS Inc. has as a primary goal a heightened understanding of the relationship between liberal arts education and effective management and leadership in the corporate world. A carefully planned program of research, workshops, conferences, and publications constitutes the work of the Council. The Corporate Council is affiliated with the Center for Advanced Study in Education of the Graduate Center of the City University of New York.

ORGANIZATIONS AND INDIVIDUALS:

IS LOYALTY PASSE?

Proceedings from a Seminar Sponsored by the Corporate Council on the Liberal Arts in Affiliation with the Virginia Foundation for the Humanities and The College of William and Mary in Virginia

Williamsburg, Virginia
October 28, 1987

Working Paper/4
May 1988

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As part of its continuing concern with issues involving a liberal education, the Corporate Council on the Liberal Arts, in affiliation with the Virginia Foundation for the Humanities and The College of William and Mary in Virginia, sponsored a seminar to explore corporate loyalty and the relationship which loyalty as a quality and competence instilled through the lessons imparted by a liberal education have to the workplace. The seminar was held at The College of William and Mary in Williamsburg, Virginia on October 28, 1987.

In our tradition, loyalty exists, most often, when an individual is committed to the values inherent in some larger entity. While Penelope ripped each night what she had woven each day to fend off the suitors, she was loyal to Odysseus, but just as important, was also loyal to the concepts of chastity, fidelity and marriage. While Antigone insisted on burying Eteocles even when she knew that it had been forbidden, she was loyal to her brother, but more to the point was her loyalty to the old religion that demanded burial of kin. While Joan, the Maid of Orleans, fought to see her Dauphin on the throne of France, she was, first of all, loyal to her "voices," even in the face of a terrible death.

It may be noticed that in each of these examples loyalty is not reciprocated. The responses of Odysseus, Eteocles and Charles are not given, but it seems safe to assume that the loyalty in each of these examples was largely a one way event. Penelope, Antigone and Joan each believed that the principles for which she acted were more important than her own outcome or her personal desires. These women were totally and selflessly loyal. They did not, it seems, expect any beneficial return on their loyalty. Each believed that she was special, singled out because she alone could see the task through.

In today's corporate world there is a special quality that pervades many companies and associations. It is a belief among the employees or members that they are different from other such people; that they are special and that this special quality comes, at least in part, from the company or the association. Canon Virginia appears to be such a company.

Tadao Okabe of Canon, the keynote speaker for the William and Mary seminar, discusses the need for *mutual respect* between company and employee. Canon Virginia, patterned after its Japanese parent company, wants respect and loyalty from its employees, so it *gives* respect and loyalty. (One might argue that birthday cards and barbecues cost the company little and have little to do with respect; but it must be remembered that they can also be taken as symbols of the job security, the pride in and involvement with the company that Japanese firms strive for.) This two-way respect, this pervasive reciprocality that characterizes Canon is noticeable among the other speakers by its absence.

Could it be that in our western tradition the idea of loyalty follows the model established by Antigone (as Robert C. Vaughan, the President of the Virginia Foundation for the Humanities, suggested when he opened the afternoon session)? Could it be that those from a western culture and tradition of management accept the idea of loyalty established by Cordelia, by Joan of Arc, or by Alcestis, who replaced her husband on his journey with death? Each of these characters in western history, literature, drama and myth ask nothing in return for their loyalty except to be true to their principles, their "voices," their deeply held commitments and convictions. They do not, as employees of Canon do, expect a return on their loyalty. These western heroines are loyal simply because their beliefs and commitments require it.

And, of course, they are all women. There are men who are selfless in their commitment to an ideal--Buddha, Christ and Mohammed come to mind--but they have never represented the predominant image of business in this country. And, until quite recently, the image of American business has been pervasively male, requiring entrepreneurial *machismo* to survive in the "jungle" of the executive suite, or, as R. Edward Freeman puts it, "Business is war."

Ours is a tradition of the dauntless individual hewing profitability out of the unruly thickets of mergers and take-overs; the solitary cowboy who single-handedly holds the encroaching rules and regulations of civilization at bay and rides alone into the sunset. The strength of these idealized capitalists is patterned on individualism, toughing it out alone, standing tall even when the shrapnel is flying. The concept of shared action, of social responsibility or, to quote from Mr. Freeman again, "the cooperative glue of capitalism" is not a central aspect of the traditional corporate warrior, to whom go the just rewards of power, money, success and glory.

Two models of loyalty appear to emerge from the William and Mary seminar. In the first, loyalty is portrayed in Antigone, Joan of Arc and the others as selfless, as expecting (and getting) no return in terms

of reward or personal benefit.

In the second model, loyalty is portrayed in an actual company by Mr. Okabe and as an ideal yet to be achieved by Professors Freeman and Tiefel. This is loyalty as cooperation, loyalty that considers the employer and the employee, the corporation and the community on an equal footing.

Seminar panelists and speaker included: Tadao Okabe, Director, Finance and Administration Division, Canon Virginia, Inc., as keynote speaker; Thomas S. Tilghman, Professor and Chairman, Department of Anthropology, The College of William and Mary; George N. Appell, Senior Research Associate, Department of Anthropology, Brandeis University; Herrington J. Bryce, Commonwealth Professor, School of Business Administration, The College of William and Mary; Hans O. Tiefel, Professor, Department of Religion, The College of William and Mary; and R. Edward Freeman, Elis and Signe Olsson Professor of Business Administration and Director of the Olsson Center for Applied Ethics, Colgate Darden Graduate School of Business Administration, University of Virginia. The moderators were Vinson H. Sutlive, Jr., Professor and Chairman, Department of Anthropology, The College of William and Mary and Jeanne Lindholm, Assistant Professor, School of Business Administration, The College of William and Mary. Welcoming remarks were made by Paul R. Verkuil, President, The College of William and Mary, and by H. Paul MacCowatt, Senior Vice President, CBS Inc. and member of the Executive Board of the Corporate Council on the Liberal Arts. Opening remarks were made by Franklin E. Robeson, Associate Dean for Academic Affairs, School of Business Administration, The College of William and Mary, and by Robert C. Vaughan, President, Virginia Foundation for the Humanities. The keynote speaker, Mr. Okabe, was introduced by John C. Jamison, Dean, School of Business Administration, The College of William and Mary.

Barbara Martinsons
Editorial Consultant
to the Corporate Council

Paul. R. Verkuil: The message of the Corporate Council on the Liberal Arts is to promote "A comprehensive understanding of the interrelation between education and effective management and leadership in the corporate world. The underlying premise of the Council is that an increasingly competitive internationally oriented and technologically innovative society leadership requires the breadth and insight provided by a liberal arts education." All we can say is "Here, here. That's got it right!" The topic of today's seminar is "Organizations and Individuals: Is Loyalty Passe?"

Some of the discussions today began in a seminar taught on campus with faculty from the Religion, Anthropology and Business Administration Departments; it brought together ideas which are very much in the forefront today. The question of loyalty itself, which is a two-way street and one that travels difficult roads for both sides, is a major business proposition. It strikes me as particularly appropriate that we ought to talk about loyalty in the university setting. When I think about it, the university is really an incubator of loyalty in our society. We speak about loyalty in many ways. Certainly our students feel that when they come here, they have a certain loyalty to the institution. Our faculty, themselves, are a product of loyalty, a mutual loyalty really, because the whole tenure process bespeaks of loyalty, a commitment on the institution's part that someone can have lifelong employment in the educational undertaking. That is highly unusual today; and at the same time, the faculty themselves are committed to the institution which has, after all, produced and helped develop them; and they are very much a part of the institution's management and the spirit of this place, I think. And finally, the alumni; when you talk about alumni, you talk about how alumni respond in many ways to an institution's needs. Loyalty is part of university life. Maybe it should be part of a grander picture as well. We will discuss that today. In addition to the Corporate Council, today's program is sponsored by The College of William and Mary with the support of the Virginia Foundation for the Humanities.

Our next speaker is H. Paul MacCowatt, the Senior Vice President for Administration at CBS. It has been most welcome to have this connection to CBS through Frank Stanton and now Paul MacCowatt. Mr. MacCowatt is a graduate of Colgate University and a was a Sloan Fellow at MIT. Going back to that loyalty theme, he was also a trustee of Colgate and very involved in that university's educational progress.

Paul MacCowatt: I was delighted when Frank Stanton, Chairman of the Corporate Council on the Liberal Arts, asked if I would address this distinguished gathering of scholars and corporate executives this morning.

In thinking about my remarks today, I reflected on the fact that not a week goes by without a news story on the status of education in the United States and its policy implications for business and productivity. The Educational Reform Movement of the '80s has rightfully espoused the cause of educational equity, and, according to Lynn Chaney, the Chairman of the National Endowment for the Humanities, it has raised the expectations we have for our schools, the content and quality of the education that our students are receiving, and for our country's economic role in the world.

I am sure this debate has not escaped your own attention and your collective concern. America today is at a critical juncture in devising the strategic and industrial framework which will serve as an economic compass for the nation for years and generations to come. Sad to say, such planning is not being accomplished at the same pace or with the level of committed resources which a truly great humanistic and abundant nation, such as our, should be able to achieve.

Our response to the policies currently being advanced in the national debate on the qualitative aspects of higher education in the United States is the formation, in 1985, of the Corporate Council on the Liberal Arts. The Council was initially funded by CBS to pursue a comprehensive understanding of, and an appreciation for, the relationship between liberal arts education and effective management and leadership in the corporate world. Thirteen other major corporations have joined the Council as members of our Executive Board. The Council is affiliated with the Center for Advanced Study in Education of the Graduate Center at the City University of New York.

The subject of today's seminar, "Organizations and Individuals: Is

Loyalty Passe?", complements the recent seminar held at the New York Public Library which was entitled "A Discourse on Ethics and the Corporate Workplace: Can Ethic Be Taught?" and the upcoming convocation inaugurating the Graduate School of International Relations and Pacific Studies at the University of California, San Diego, where the discussion will focus on "Competition and Cooperation in the Pacific: The Challenge for Education." The proceedings of all these seminars will be released as part of the Council's Working Papers series.

There is clamoring today that our college population be groomed as leaders to meet and transcend the problematic contours of the corporate environment and to satisfy the material trappings which the printed and visual media portray and institutionalize. These trappings include power, extraordinary wealth, and potency from both a board room and a bedroom perspective. Such an unfortunate depiction relegates corporate leadership to a caricature, a cultural stereotype predicated on an illusory materialistic foundation without the insights of and appreciation for the perplexities and demands of a changing corporate environment. There is no more important consideration in constructing a realistic assessment of contemporary corporate culture than the complex issue of loyalty and the role of the individual within this culture.

The newly confirmed Librarian of Congress, James Billington, in recent remarks observed that as a citizen he was deeply concerned with whether we really have the will as a people to preserve our memory, the determination to make a positive effort to survive economically and politically, and the intelligence to make a coordinated effort to do so. Billington said, "Many of our cultural leaders, having rejected the older American belief in a creator and an objective moral order, seemed at times to have filled the vacuum with a subjective aesthetic disorder of their own creation. A fascination with the aesthetics of power rather than the content of policy result in lifestyles devoid of meaning. No society will long endure," he said, "without some common values. Sooner or later they will be imposed from without if they are not sustained from within. Freedom," Billington continued, "did not come into being and will not survive without some responsibility. Both liberal democracy and liberal learning evolve gradually from the deepening discipline of the classical call to exercise the mind rather than just indulge the body, and of the Judeo Christian demand that we grope for goodness rather than just grasp for goods." The philosophical as well as the pragmatic underpinnings of loyalty in the corporate workplace are primary to the values which Billington questions, and which we have the opportunity to thoughtfully discuss here today. And so to Dean Robeson, the seminar coordinator, to President Verkuil and the Virginia Council on Humani-

ties, I extend the Corporate Council's sincere appreciation for the time and effort which has gone into planning this important event.

Keynote Address

Tadao Okabe
Director, Finance and Administration
Canon Virginia, Inc.

It is often said that the Japanese are very loyal to their group, organization, and employer. In fact, most Japanese believe this. The majority of Japanese working today have been with the same company since they started working. I am no exception. I have been with Canon for over 20 years.

Even in Japan, however, people often change employment in occupations which require special individual knowledge, techniques, or abilities. These include doctors, professors, researchers, chefs, and so on. The reason for these job changes would be to increase salary or a promotion.

In Japan, changing of employment is rarely seen in large enterprises where a group activity is required to obtain objectives. Examples of these groups would be office workers and production employees (although this is not always true with small and mid-size companies). Why don't office and production employees in large Japanese companies change employers? Is it because they are loyal to their company? Allow me to take a realistic approach to this question. Let's look at some of the reasons from the employees' standpoint:

Economic Benefit. Especially for those working with large companies, finding another company which guarantees both better salary and stable living is not easy.

Seniority System. An employee is rewarded based on length of service with his/her company. It is rare for a Japanese to give up benefits by changing employment.

Better Position. Many Japanese companies are cautious about assigning important tasks or responsible positions to job-hoppers.

Social Restraint. From a social viewpoint, changing employment is viewed negatively. Job-hoppers are conceived of as volatile and impatient.

Easier Work Environment. In Western companies the job description clearly defines each individual's responsibilities and authori-

ties. This is an unusual practice in Japan because people work together under the stipulation that no one will leave the company, and such descriptions are naturally inherited through one's service. It will not be easy to go to another company and start over again. Also, the relationships you have established over the years are an important asset in collecting information and receiving support. And this cannot be transferred to another company.

Sentimental Barrier. To leave the colleagues and associates whom you have worked with over the years and with whom you have shared the good times and bad times is considered unfaithful by the public.

Now consider the issue from the company's standpoint:

Manpower Was Indispensable. Japan lost virtually everything after World War II and starting from scratch. The nation reconstructed and expanded its economy in order to meet this expansion in business; most companies had to hire many talented personnel. Finding these talented individuals was very difficult. Therefore, every effort was taken to reduce employee turnover

Secure Those Hired. If the company allows their people to leave, all the time and cost spent in training them would be in vain. When you lose an employee to your competitor, the balance between the two companies will have a double effect. To encourage their employees to stay, many Japanese companies consider the following measures effective: keep wages at a competitive level; provide opportunity for advancement;provide interesting jobs. The 40 year postwar prosperity of the Japanese economy has made this possible.

No Lay-off. Of course Japan did not enjoy 40 years of linear growth; however, even at the time of serious depression, most companies overcame without having any lay-offs. Companies are very sensitive to the reactions from society and they fear that lay-offs will hurt their reputation and prevent them from getting qualified people when they are needed. Lowering the corporate image in society can easily degrade the image of your product and service; therefore, companies are faced with both tangible and intangible penalties.

This is how the myth of the world's most unusual lifetime employment practice of Japan came into existence. I say "myth" because it is incorrect to say that there never was a lay-off in Japan. For example, the coal business experienced lay-offs due to the decline of the total industry. And, although we often mention the term "lifetime employment," even in Canon there is no written agreement that states it as a

policy. It is neither a guaranteed right nor a policy. It is rather a system of mutual trust between labor and management.

What is the future outlook for Japanese lifetime employment and employee's loyalty? I personally think that workers in the Japanese labor market will begin to circulate much more for the following reasons:

Generation Change. The young generation today has a very liberal attitude towards change of employment. They have fewer psychological barriers when compared to my generation.

Technological Innovation. Today's electronics and computer technology have made startling progress. Most of the researchers engaged in this field are young. This trend is particularly seen in the so-called "hi-tech" industry. Also in Canon, those working in research and development areas are mostly in their 20s and 30s. The technology is universal and the "hi-tech" related engineers are in a sellers' market. If companies do not treat them adequately, they may leave without hesitation.

Progress of Internationalization. Many foreign companies are now expanding their business to Japan. Their first step is to hire people, especially those with experience and talent. The words "recruit" and "head-hunting" are popular and often used in Japanese in the same pronunciation.

Therefore, in the future, we will probably see many people from different companies working with us. The current job-changing allergy will gradually disappear and such conduct will be accepted as common practice.

Let me comment on how CVI is hiring and training its employees. In a nutshell, our policy is to pay utmost respect to employees. We do not intend to have the same management style that we have in Japan. However, in all the blue-chip companies indicated in Thomas Peters' and Robert Waterman's famous book *In Search of Excellence*, such as Hewlett Packard, IBM, and Johnson & Johnson, we can see that they have been doing the same things we are doing. This tells us that among truly excellent companies there is no difference between Japanese management and American management. They are all running the company with a very similar concept, somewhat like an "international management" style.

At Canon Virginia there are 153 employees today. And these people were selected from over 16,500 applications. During the selection process we look at such characteristics as capability, personality, teamwork potential, enthusiasm and brightness or cheerfulness very seriously. After the application is reviewed and the applicant interviewed, those selected will be requested to attend the "Canon Familiarization

and Training Class." This is a six-hour, two-day evening class, supported by the state's Industrial Development Division. Through these classes the applicants will learn about Canon's philosophies, goals and objectives, plus information concerning the product CVI will be producing. In these classes we have the benefit of observing the individual's abilities and personality.

In essence, we are explaining in detail the job functions in our production area. With a thorough knowledge of the job before they accept employment, we feel we are able to selected satisfied employees. It is extra work for the interviewers, but the effort has been compensated as seen from these figures: attendance rates are 97.78 percent; turnover ratio is .037 percent. Once a person joins the company, we wish that person to stay with us as long as possible. To insure that, our wage level must be competitive to the area's industry level; we must provide opportunities for promotion in a clear and fair manner; we must earn their respect.

To promote the willingness to do the best job, we have executed many activities:

Management participation by all employees. Employees are asked to take part, voluntarily, in various activities such as small group activities, suggestion system, employee activity committee, newsletter committee, and safety committee. The number of these committees is steadily increasing and the company is supporting them aggressively.

We value communication. We have been informing the employees of the current status and future plans of the company in detail.

The family policy. Canon is a company for all. We emphasize the importance of hard work not only in good times but during the unfavorable times as well. We have a saying in Japan that "All must eat from the same pot." When business is good we can all enjoy having a good meal; however, if not, we must all endure patiently and share humble fare. We recognize not only our employees but their entire family as our supporters. Without their support and understanding, we do not come to work in good spirits and perform good work. If the employees receive words of praise from their family and relatives for joining a good company, they will feel comfortable. We are exerting every effort so that our employees will be proud of this new company. For example, we had a Canon Family Picnic, a Christmas party, and we send birthday cards to employees' homes. More than 300 family members enjoyed the plant tour, barbecue, and games on the family picnic day. During the plant tour we were happy to see many of our employ-

ees explaining their job and the products they make with pride.

Employee respect of Canon. We inform employees about the company's growth. We maintain the quality of Canon products and foster a clean, hi-tech image of Canon. We are proud to hear others speak well of Canon products. Favorable coverage by the media, such as TV, radio, and news articles, is far more effective than the repeated voice of management. Advertisement of our products is also important. We have been aggressively approaching our sales company, Canon U.S.A., to promote ads in our region.

We emphasize teamwork. As members of the Canon family, we try to do away with the differences between management and employees. We all eat in the same cafeteria with the president. The president wears the same uniform as other employees do. It is reported in many cases that having uniforms is a typical Japanese management style. However, this is not true. We often see many people wearing uniforms in American companies. The only difference is that in our case the president also has one and this difference is most important.

These are some of the practices and concepts we have been carrying out at Canon Virginia to promote the togetherness and loyalty of our employees. But as I mentioned previously, the basic precondition is to offer stable and competitive wages and to provide opportunities for promotion in a fair manner. We at Canon must strive hard for growth and development. Canon Virginia is a young and eager company. It has only been six months since we started operation and we have been very fortunate to enjoy a smooth start up in all aspects. This could not have been done without the support and assistance we received from the state and local authorities, and from the community itself.

Next year we will start the production of laser beam printers and toner. In 1989, we plan to produce photo sensitive drums and cartridges. By the end of 1989, we project over 700 employees with a cumulative capital investment of more than $70 million. As we increase our manpower over the years, it will present new challenges for us. It is then that our philosophy of respecting our employees will display its true value.

Thank you for your attention, ladies and gentlemen.

Vinson Sutlive: [Moderator, Panel 1] The participants in the first panel are Thomas S. Tilghman, George N. Appell, and Herrington J. Bryce. Mr. Tilghman will read his paper and then there will be responses from Drs. Appell and Bryce. The second panel, consisting of Hans O. Tiefel and R. Edward Freeman, will offer further considerations.

We welcome now as the first speaker in this panel, Mr. Thomas S. Tilghman.

Thomas S. Tilghman: Before one can continue with the issue of whether or not "loyalty is passe," it is important to understand what we mean by loyalty. Loyalty is defined in dictionary terms as a steadfast allegiance to a person, a group, an organization, a principle, or an ideal. The only thing helpful about this definition is the implication that an individual can have varying (and possibly conflicting) degrees of loyalty to a wide variety of things ranging from the real (a person) to the abstract (ideas). This definition clearly does not tell us how to measure loyalty to the degree that we would need to do to determine whether it is passe.

In terms of loyalty between employers and the employees, one could go beyond the definition and suggest that employer loyalty to the employee manifest itself in terms of such things as providing employment security, an equitable compensation and benefit package, and a decent work environment. One could also suggest that employee loyalty to the employer manifests itself in terms of such things as providing more than a decent day's work with low turnover in terms of the total work force. The implication of this approach to defining employer/employee loyalty is that there is some kind of implied loyalty contract between the two. This concept may be helpful in trying to measure employer/employee loyalty.

Whether it is true or not, most of us believe that in today's complex worldwide economy companies are less willing and/or less able to provide the kind of employment and compensation security that existed in the past. Similarly, in this age of self-actualization, individuals appear to be less willing to provide a decent day's work under as wide a range of conditions as they presumably were in the past. Because both parties appear more willing to break the "loyalty" contract, one could argue that there is less employer/employee loyalty today.

However, this approach to determining how employer/employee loyalty manifests itself is probably too simplistic for a number of reasons:

- Employment related allegiance may, in fact, be directed to subunits of a company rather than the company as a whole. For example, employer/employee loyalty may be between the work unit and the employee rather than the whole company. It is possible that the work unit can be separated from the company (through a sale to another company or a leveraged buyout) without a negative effect on "organizational loyalty."
- Loyalty may appear to exist simply because people or organizations

do not have a "choice." Individuals may have always been willing to leave an organization but have had nowhere to go. Conversely, companies that have appeared to be loyal to their employees may have operated as if they had guaranteed employment simply because they never had to choose between lower profits or downsizing and, therefore, never let anyone go. What has changed is not the degree of loyalty but the fact that there are new options and new pressures.

It may be better for our purposes to define employer/employee loyalty not as an implied employment contract but as a common sharing of a vision. If the employee shares the vision, that is, accepts the overall mission of the organization and its goals and objectives, he or she will work with the organization in achieving its mission. The degree of loyalty would be defined under this approach as the degree to which the individual shares the vision with the larger group. The greater the acceptance on the part of the individual of the mission, objectives, and goals of the organization, the greater the loyalty of the individual to the organization, and vice versa. The individual has a higher degree of satisfaction in working in such an organization which results in a greater acceptance of the individual and his or her efforts by the organization.

The sharing of the vision does not take place because someone articulates the organization's mission in a paragraph and gives a copy to the employees. In many respects the definition of the company's mission evolves over time along with its corporate culture and is articulated in what the organization does and how it treats all its stakeholders. The formal articulation of the mission that has taken place at companies like IBM and J.C. Penney is certainly helpful, but it is the implementation of the underlying mission in day-to-day activities that has the greatest impact on loyalty. Furthermore, it is important to keep in mind that every company has a mission, goals, and objectives whether they are articulated or not.

It has always been relatively difficult for a large group of individuals to share a common vision within the corporate context. Most business entities do not survive beyond the entrepreneurial stage. However, it has probably become more difficult for organizations that survive the entrepreneurial stage to continually share their visions with their employees for a number of reasons. From the corporate point of view, the very competitive worldwide economy requires a constant review of the mission, objectives, and goals that make up the shared vision of the organization to make sure that they continue to be viable. It is probably inevitable that as the vision changes, certain employees will no longer share it with the rest of the organization.

Is it really a sign of "disloyalty" to separate those individuals who no longer share the evolving vision from the rest of the organization that does? If done fairly and equitably, it may, in fact, be an expression of loyalty to individuals who no longer share a common vision to help them find an employer with whom they can share such a vision.

From the individual point of view, the individual has other interests (career, professional, family, lifestyle) that affect his or her ability to continue to share the vision of an organization. Changes in particular individual interests and circumstances will affect the individual's ability to work toward the organization's mission, objectives, and goals. Because individuals are now more concerned with self-actualization, they are becoming more willing to allow other interests to affect their vision of the world in general and of the workplace in particular. Is it really a sign of "loyalty" to continue to work for an organization with which the individual no longer shares a common vision?

While it has probably become more difficult to promote employer/employee loyalty through a shared vision, that does not mean that employer/employee loyalty is passe. Clearly, if an organization is to achieve the goals and objectives of all its stakeholders, it must have the shared vision of employer/employee loyalty. It is hard to imagine that any organization would achieve even the most simplistic goals in the most favorable environment if it did not have a high degree of such employer/employee loyalty. It is even more difficult to think that it would be possible for this to happen in the complex world of today.

If loyalty is not passe, how do you promote employer/employee loyalty? In our experience, employer/employee loyalty requires three things. First, you must define the corporate vision, for the business and for the employees. Second, you must empower the employees to achieve the vision through communication, training, policies, organizational structure, and customized programs. Finally, employees must be rewarded both financially and in terms of recognition.

George N. Appell: In preparing my thoughts on loyalty, I went to my library on the social sciences to find out if the social sciences really looked at loyalty. There is very little in the social sciences texts or other books that I had about the concept of loyalty, so, like Mr. Tilghman, I turned to the dictionary. There I found the fact that, in terms of allegiance to organizations, the corporation was never mentioned as something you would be loyal to. The other thing I found in looking at definitions is that loyalty contrasts with faithlessness, falseness, perfidiousness, and treachery. So by definition, we are all loyal people.

My next thought, after I realized we are all loyal, was to try to un-

pack loyalty in social science terms. Loyalty is really part of the vast network of transactions and exchanges that go on in a relationship between two individuals or between an individual and an organization or group, such as a political unit or corporation. Now, if I give my loyalty to someone or some organization, it is my hope that I will somehow be rewarded for this. I hope that I will get some approval for being loyal, and I also expect that the larger group will look out for my interests, will protect me. So for the exchange of loyalty there must be some kind of reward from the corporation.

Now, some comments on environments that foster loyalty and discourage it: expanding economies mitigate against loyalty. The individual has less need for protection, therefore, has less need to be loyal, as he has many opportunities to move from one position to another. The reverse is true with a drop in the market. We suddenly see a lot of loyal people when the economy goes down because they want protection from the organization of which they are members.

The research done in the social sciences seems to point out that the greater the participation of the individual in the decisions which affect the corporation, the greater loyalty or commitment he will have to that organization. But I want to make a few comments about long-term trends in American culture, and talk a little bit about loyalty as an aspect of character.

Seneca, in 64 A.D., made the point that "loyalty is the holiest good in the human heart." There is a fifteenth century proverb that went "But for loyalty, all other virtues are not worth a flea," and there was an eighteenth century proverb that went "Loyalty is more important than money." As an employer, I would not be interested in employing people who have demonstrated their lack of loyalty. But in the larger American culture, we do not give rewards to loyalty. Here the concept of development of character, like loyalty, no longer exists. In the early 1900s it did. It has fallen out of favor, out of use, and it disturbs me greatly. Now what we tend to want in our children is success, particularly material success, and we have a lot of the convenient folk wisdom that nice guys finish last, not loyal. Maybe loyal people people finish last, I don't know. The one thing my blood pressure has a problem with is this sign I see on the back of cars, "He who has the most wins at the end." How puerile this attitude toward the American character is; it is not he who is loved the best at the end, but he who has the most at the end. So maybe you can take it with you at the end, I don't know.

Related to this is the fact that in American culture we are going through a phase of what I perceive is increasing unease with affiliation. People can no longer establish a lasting relationship, even to primary

groups like the family. Witness the rising divorce rates, marital infidelity, and adultery. Sex without love, how disloyal can one get? With broken families you cannot foster in children the character of loyalty. In child development, the capacity for deep personal relations has to be built on a stable family. Now, another sign of the erosion of loyalty to primary groups is a sticker I see on trailers: "I'm spending my children's inheritance." I find the growth of narcissism in our society really frightening. This is really the me generation and is all part of the decrease in capacity to affiliate with other people. Treating people as objects is a growing dehumanization, an objectification of others that is taking place in our society.

In 1835, De Toqueville, a most prescient individual, wrote, "Individualism disposes each citizen to isolate himself from the masses of his fellows and to draw apart from his friends. It, at first, saps the virtues of public life, but in the long run, attacks and destroys all the others, and is eventually absorbed into pure egoism." Individualism, be assured, has its costs. There is a lot of research done on this, and it shows that those who are completely intent on themselves, who cannot affiliate, who do not have social relations with family, corporations or whatever, are also the people who have the most chance of becoming ill. I perceive a set of values in American culture which I call economic fundamentalism; it is similar to religious fundamentalism. Economic fundamentalism has a number of different themes. There is the belief that the value of everything is determined by its price in the marketplace rather than in religious, social or aesthetic terms. The individual becomes highly self-interested and acquisitive, with a sense of responsibility to no individual or institution but himself. In some cases this even extends to the degree that social institutions, such as government, are seen only as providers of individual benefit and profit. The view that tradition is a hindrance to economic opportunity and personal growth, the belief that progress, particularly economic progress, is both natural and one of the greatest goods, and the belief that economic growth is the solution to all human ills is increasingly prevalent. In my view this is nonsense, as is the assumption that economic growth and development can be planned and regulated. And finally, there is the view that man is measured by his economic status, not by his character. Thank you.

Herrington J. Bryce: I am not certain whether loyalty is even desirable. You know if, in fact, people were as loyal as they are sometimes required to be, there are a number of things which we would not enjoy today. Many firms, many companies, many products, many inventions, many, many improvements in life came because individuals chose to be

what we may consider today as being disloyal. The Air Force, which now protects us, was, in part, the consequence of someone deciding that there was another way of defending the nation. And in almost everything we look at today, we see very much the same thing. We sometimes think of loyalty as a religious concept; if Martin Luther did not choose to be somewhat disloyal all of Christianity would be part of the Catholic church today. That is, indeed, the problem that we face when we talk about having a definition of loyalty; if we choose to live any way other than by permitting individuals to be reasonably disagreeable, we would get no place. Consequently, I am not sure what we mean or what we strive for when we strive for loyalty.

Now, this is not to say that some degree of loyalty is not desirable. It is to say that as we live today, loyalty has become an even more complex term than it was before. There are times when we conclude that an individual has acted disloyally. That is simply because we have chosen to judge that person's behavior from our own perspective. From the perspective of another, that person chose to be very loyal. The point is simply that in most of our lives we subscribed to a number of concepts, a number of organizations, a number of objectives, and sometimes to be true to one requires us to act in a way that leads others to conclude that we are disloyal to them.

This is very true in terms of the recent NFL strike; it certainly is true in terms of many strikes. A worker does not simply see him or herself as being disloyal to a company but sees him or herself as being loyal to his or her family, and certainly to his or her career. So what appears to be an act of disloyalty really is an act of loyalty to some other force which simply has a higher priority in that individual's life. Consequently, if we ask for complete loyalty, we get absolutely nothing.

Now, most of us are associated with universities, and, there too, we see a number of court cases which involve loyalty and university trustees. Let me give you an example of a court case in which a group of university trustees were sued because they made the decision to deny tenure to a group of faculty members. The reason for denying tenure was that the trustees thought that the economic well-being of the university was jeopardized. There was a similar case of a group of trustees who decided to disband an endowment simply because they thought that the endowment had run its course and served no further purpose. What is interesting about this is that in the tenure case the faculty members obviously decided that there was disloyalty to them because they were not given tenure, but the larger issue was that the trustees were acting in a way that they felt was loyal to the university. And they *were* loyal to the university because, in a sense, they were protecting a larger purpose

which was not the purpose of these individual faculty members but the purpose of the university and its mission.

I have heard it said that one way to increase employees' loyalty is simply to increase their participation in determining the goals of the organization and increase their participation in management. From the perspective of many managers, that presents a problem. And the honest problem that it creates is that many employees don't care. The fact of the matter is that what appears to be participation in a decision-making process is participation in protecting one's welfare or one's future. A manager often sees a world quite different than the world that the employee sees. And if you doubt that that is true, the point of fact is that you, as parents, see the world quite differently than your children see the world, and you, as faculty members, see a world quite different than the world that you students see. If this were not the case, then there would not be a difference between you and your students.

The point, therefore, is that the conflict in perspective rarely is a conflict in loyalty. It is a conflict in rewards and it is a conflict in responsibility. My beginning statement about the need to define loyalty seems to me to be a very important one. The question is not whether or not one chooses to be loyal or disloyal. The question is how one manifests a certain type of behavior and the consequence of that behavior. For many managers, the allegation that an employee is disloyal is often no more than a political statement. It is a statement that "I wish that you would do what I want and we will all be fine." It has nothing to do with the final objective of the organization.

In many American cities you have as much intense loyalty to a firm, especially in mining towns and some small firms, as you probably have in what is called the Japanese tradition. The difficulty is, it seems to me, returning again to the question of conflict, that bureaucracies tend to be so very large, so very complex, often so filled with internal conflict, that the decision to be loyal to one's subgroups frequently conflicts with the decision to be loyal to something else, which is the larger group. If you think that this is simply theoretical, let me remind you that this was exactly the problem that the striking football players faced. That the decision for Dorsett or Gastineau, for example, to return to play was, in one respect, the result of a decision to be loyal to something that they believed in; a loyalty to the organization. But it was a terrible disloyalty to the group as a whole, that is, to the other football players.

Hans Tiefel: The topic we are considering is loyalty in the relationship between individuals and corporations. In considering the meaning of the word loyalty, I was thinking, just to get the flavor of the word, would

I use the word in recommending somebody, a student or a colleague? It seems to me almost as if loyalty is one of those words that is somewhat outdated, sentimental, something like "chivalry." It was all right in its own time, but we are not sure it is really a compliment today. We live in the modern age and loyalty may seem like an anachronism, something that went out with the Knights of the Round Table. It is sort of like the word "sin"; it is just not used anymore. I mean nobody sins anymore. They just have different lifestyles, so certain kinds of words pass out of use.

We still use the language of loyalty. For example, in many marriage ceremonies we still retain outdated phrases like "For better or for worse." That indicates loyalty, although it does not make much difference for the divorce statistics. People will also sign prenuptial agreements and still use those words. But at least we still have those words, and that gives us some comfort.

We insist on loyalty in regard to children. They learn the "Pledge of Allegiance." Again, the words indicate that loyalty is valued. It is another story when it comes to child support payments, however. We sort of insist on the law for that one, not leaving it up to morality or feelings or the loyalty of those involved.

We also use the language of loyalty in an institutional context. We have mentioned the breakdown of loyalty among professional football players and the failure of the strike. I take it that looking out for Number One is not supportive of union solidarity, thus the strike failed.

Institutional language plays a variety of roles. Consider the kinds of words that are used about people in corporations such as "human resources." Electricity and gas, and air maybe, or water, I think of as resources, but we do not have a notion of being loyal to resources. If you are talking about human beings (once it used to be called personnel, at least you had the word *person* in there), you are dealing with flesh and blood and not the forces of nature or some kind of coal deposit. Loyalty to people yes, but not loyalty to a resource, so we, in a sense, undermine, by the very words that we use, the possibility of loyalty.

When we fire people, we don't say we fire people, we say there is a reduction in force. It is like cutting back on your electricity consumption; you know, when you leave the room, turn out the lights. It is not David Jones, who works in Accounting, who wears those rumpled suits and has been with the company 15 years. No. That is not an issue. We are reducing force. How are you going to have loyalty if you ever want to have loyalty, with that kind of language? So, the language itself seems to betray a kind of unhappiness with loyalty. Or restructuring, is there any loyalty to a structure? Does structure have anything to do

with individual workers, with individual lives? If there is any doubt about what you do to people, in a corporation you can always call it necessity. "This is business necessity." And the word necessity, I think, never includes, at least I have never seen it to include, human beings. It always refers to something else that we have to be necessary about.

And yet, on occasion, loyalty is not gone altogether from our organization. When I became a citizen of the United States I took a loyalty oath, pledged allegiance. That was perfectly suitable and fitting, as far as I am concerned, and I still think so. Professionals such as physicians still pledge loyalty to their clients. That means that the welfare of my clients comes first, before my own profit, before my own convenience. Ministers and clergy still give a pledge. We still expect loyalty from soldiers and even that most cynical of all professionals, the law, still expects loyalty to the client first and foremost.

Loyalty may not have totally gone out of business after all. I notice that when you look at the stock market reports, you occasionally find companies with the word fidelity in their titles. I suppose that means loyalty and allegiance, or maybe it is just P.R. Perhaps if you get a good title, it does not matter what it stands for, but apparently it is still a virtue for some companies. Of course, they do not say what they are faithful to.

Loyalty is a commitment, I take it, and the sort of commitment that goes beyond contract. It is something more than what we have specifically agreed to. There's something unconditional to it. Loyalty can only be demonstrated against obstacles. There is a kind of sticking it out or sticking with it quality to loyalty. Loyalty is a virtue for hard times, and duress and stress and difficulty form the background for any kind of meaningful talk about loyalty. In fact, the only time that loyalty has any meaning is in hard times.

I think loyalty is a by-product. It is something indirect, and the way that we come to loyalty, I think, is not head on. It is rather the flip side of something more fundamental; questions about identity come first. Once we are clear about who we are, and about the nature of the organizations that we join, including corporations, then it makes sense to talk about loyalty, because loyalty is secondary. It follows a certain kind of identity. The question is not what is loyalty and should we be loyal? The question is "Who are we?" "What is a given corporation?" "What is a government?" "What is a university?" And only after we answer that can we speak about loyalty.

What is a corporation? I hear from some of my colleagues in the Business School that they are not unequivocal on this one. But I hear often enough that a corporation is a profit-making machine, an enter-

prise for making profit. If that is your vision of a corporation, I think that will elicit no loyalty. That will elicit interest, to be sure, but not loyalty. What else can there be about corporations? (Only the Religion professors talk this way, of course, as if there were a choice. My view is that it may be necessary to make a profit, just like breathing is necessary to living. But I take it that breathing is not the purpose of life, and neither is making a profit the purpose of corporations. Let me mention as an aside that I have tried to persuade my son about this. He is 17 years old, going to high school as a senior. He said that when it comes to money, loyalties take second place, and he knows all about what business is. Loyalty is really misplaced there.)

To return to my point: I still want to suggest an alternative. This morning we talked about corporate vision, and I thought that was a promising start. What *is* a corporation? How do we define it? And perhaps if we define it as providing essential goods and essential services, without which we really could not have a model society, then perhaps we have the beginnings of, and reasons for, loyalty.

If you allow me a personal story (I have been slipping them in right along, but I will make this one official), I have students coming to me to write letters of recommendation. Any professor does. On occasion I have students come in to say, "I want to do something with my life." Now, students who talk that way have never chosen a business career, and I think that is very sad. It is also funny, but it is mostly sad. Students who go into business never talk that way, and I wonder why. There seems to be something about choosing a career in business that calls for a certain kind of compromise. It is a harsh world out there, and you must accommodate yourself to that. These business bound students seem to believe a corporation is simply dedicated to profit, to money, to wealth. It is really not a part of the common good. So, if you really want to be smart about it and serve your fellow man and also make a lot of money, you go into medicine. You do not go into business. Why aspire only to profit when you can become a doctor and serve your fellow man as well?

But I am not really recommending that approach. What I am suggesting is that perhaps even if we think loyalty is a good thing, we cannot face it head on in terms of corporations. Instead, we have to think about the nature of corporations themselves. Our corporations are worthy causes to which a person might dedicate him or herself. Yet it is not all that clear when you go into business that you are serving the common good. And I think we ought to rethink that. It ought to be, in religious language, one of the *callings* in which we seek to serve our neighbor. But the self-conception of business, as I see it advocated, and

defended, defeats that. I think there is a mean version of business going around that will not elicit loyalties.

Another way of asking the same question is "Is an executive, is somebody who is in business, a professional?" And what I mean by professional is not, does he know his business (or does she), but rather do you serve human beings first and foremost? Is that a priority? And I think that the answer to this will make a difference about business decisions, or decisions about employees. Does the community come first, is that what it is to be a business person? Or is it "caveat emptor," everyone for himself, because, after all, we know the necessity of making a profit, and that is the bottom line. What I think we need is a redefinition of the purposes of a corporation, and that redefinition points to a larger community, the inclusion of business in a moral vision of the community. The larger community cannot, in fact, exist or function or thrive without the business community; if we understand that context, that interrelationship, it is at that point that loyalty becomes a live option.

R. Edward Freeman: I understand loyalty in simple terms such as going the extra mile, or "saluting smartly and taking the hill, sir." This is behavior that has been characteristic of our great corporations. Loyalty is being proud enough of GE/AT&T/US Steel (not USX) to want your children and grandchildren to work there. I believe that loyalty is a thing of the past.

In trying to understand corporate loyalty I want to focus on the recent wave of activity known euphemistically as "restructuring" or "downsizing." In the past several years roughly 500,000 administrative and managerial jobs have been eliminated in American industry. You know the reasons: the world is more competitive; the Japanese are tough and must be defeated on the battlefield of business; there are too many managers, too much bureaucracy, too much fat. Someone must pay the price. Employees and middle managers are the likely victims.

I had a friend who was going through restructuring, and he was very lucky. He was lucky because when he pulled into his driveway one night, and he had a heart attack, he lived next to a cardiologist who was at home. If you track stress-related diseases in restructured organizations I guess there should have been no surprise. I would say that human resources generally do not have heart attacks, but people certainly do. All of the hopes and dreams that my friend signed up for--that the company promised by its actions--were over. "Come and work for us, let us take care of you, fulfill your ambitions if you work hard and are loyal to us." This dream is just a myth. Maybe it always ways, but while

U.S. business was dominant it didn't matter so much.

Today U.S. business is poised at the edge of a dangerous chasm. Its myths and ideology threaten to do irreparable harm to the *reality of capitalism*. Let's start with the myth. Call it Cowboy Capitalism. It goes roughly like this: Business is war. Executives must get on their horses and ride out to fight the competition, civilizing the world in the process. Capitalism is just a bunch of greedy little bastards trying to do each other in--and what drives the system is the competitive urge of these cowboys. The only good competitor is a dead competitor.

The watchword today is competitiveness. We are told that America must regain its competitive edge, as if somehow managers have lost the killer instinct. Maybe they are content with substitutes such as the World Football League, USFL, or even soccer, rather than good ole American hard-nosed, tough-minded NFL football, where a man can be a man. And business schools are part of this mythical world of Cowboy Capitalism. Frederick Taylor had a dream carried out by his colleagues of doing "scientific research" in business schools. If only there were better access to data, then business researchers and consultants could tell managers the way the world really is, could tell the cowboys the best way to ride, the optimal horse speed, and predict the paths of the savages. Managers could become more efficient, tougher, leaner, meaner, more competitive.

The lack of self-reflection and of questioning the basic assumptions of these myths has led us to this dangerous precipice. And government is about to intervene to help make America competitive, thereby pushing us over the edge. The web of meaning created by these myths is held together by the loyal employee who saddles up and charges the savages, regardless of the consequences. These are the human beings who must be downsized and restructured.

Now for the ironic twist of the plot: To the extent that the demise of corporate loyalty means less willingness to go the extra mile, less willingness to saddle up and take the hill, and less willingness to see the corporation as an end unto itself with employees as mere means to that end, then it is a healthy sign for American business. Loyalty depends on the belief that the corporation is an end in itself, to be preserved at all costs as the giver of life and wealth. If loyalty becomes passe, which it has, we can begin to see the corporation, and capitalism, as it really is and ought to be.

Business is about cooperation. First and foremost, capitalism is about the voluntary agreements among consenting adults. It is about putting together deals among customers, suppliers, employees, financiers, and communities. Each factor of production is a necessary

condition for a business ever getting off the ground. Each factor depends on the other. And the entrepreneur, or manager, puts them together so that each gains more, cooperatively, than each could alone. The manager must keep the incentive to cooperate fresh in the minds of each factor, and must show each how it adds value and gets value added by the others.

Competition is important, but only in a secondary way. It serves as a reminder that each factor has options. But to focus on competition rather than the cooperative glue that binds the deal is a mistake. All of the hubbub about excellence is exactly this focus on the cooperative glue of capitalism.

Over time, if a business is to prosper and grow, then the agreement, or set of ground rules by which customers, suppliers, employees, financiers, communities, and managers live must be fair. And by "fair" I mean only the conservative notion that each factor must give its "informed consent" to the rules and have an ability to give input into changes. Fair means "close to the customer." Fair means "treating suppliers well." Fair means "employee participation." Fair means "being a good citizen." Fair means "earning healthy returns."

In such a world, loyalty is just irrelevant. Each participant really benefits from the fruits of cooperation, and loyalty is beside the point. I do not have any magic potion, but there are some ideas that need to get kicked around. The ideas are old, and they form the cornerstone of our society.

- Constitutionalize the corporation. Apply two simple principles articulated by Jefferson and others. The first is that individuals have the right to life, liberty and pursuit of happiness. Applied to business this means that individuals must be free to achieve their own projects. American business is overmanaged, over controlled, and far too much time is spent on "gaining acceptance" or "garnering commitment," loyalty, if you like, for the corporate vision. Far too little time is spent on letting individuals decide for themselves what the corporation is to become. The second principle is that individuals have the responsibility to govern themselves. Applied to business this means that key stakeholders must govern the corporation and take responsibility for the effects of its actions. We need more *governance* and less government.
- Rewrite the corporate social contract. There is a simple test of fairness among stakeholders: would you accept this contract if you did not know what side of it you were going to be on? We need to apply this test to the way we deal with customers, suppliers, employees, financiers and communities. We need to develop new

charters, new sets of ground rules which meet this basic test of fairness.

- End all talk of "human resources." Talk about people, because people have rights, feel happy and sad, can share in achievements, can do good and evil. Talk less about acceptance, commitment, and loyalty. Talk more about frankness.
- Challenge business schools to do something useful. Replace the language of motivation, leadership, strategy, and warfare with the language of meaning, ethics and how we treat our fellow human beings.

All of this means that we must create a world of business in which individuals achieve their projects in the context of a community. But, make no mistake. It is a world that we *create*, not a world we find. It is a world where the language of the social sciences is increasingly irrelevant. It is a world where we will study high culture, everyday life and the avante garde. It is a world where the language of art, music, philosophy and literature will make the practice of business into a rich human endeavor.

Seminar Participants

Welcome and Introductory Comments--**Paul R. Verkuil**, President, The College of William and Mary • **H. Paul MacCowatt**, Senior Vice President, CBS, Inc. and member of the Executive Board, Corporate Council on the Liberal Arts

Keynote Address--**Tadao Okabe**, Director of Finance and Administration, Canon Virginia, Inc. In 1962, Mr. Okabe joined Canon Inc. in the Accounting and Finance Division. He has continued to work for Canon since then in Lake Success, New York, Los Angeles, Tokyo, and at his present post in Virginia.

PANELS

Panel 1 Moderator--**Vinson H. Sutlive**, Professor and Chairman, Department of Anthropology, The College of William and Mary

Panel 2 Moderator--**Jeanne Lindholm**, Assistant Professor, School of Business Administration, The College of William and Mary

Thomas S. Tilghman, Partner and Practice Director of the Human Resources Consulting Group of Arthur Young, Inc., New York. Mr. Tilghman specializes in organization and executive compensation and has a number of financial services and thrift industry clients. He is the co-author of the Fifteenth Edition of *Executive Compensation* (Arthur Young's annual study of executive compensation in 22 industries), the *National Survey of Corporate Law Departments Compensation and Organization Practices*, and the *Organization & Compensation of Boards of Directors*.

George N. Appell, Senior Research Associate, Department of Anthropology, Brandeis University. Professor Appell is a leading scholar on Borneo and Southeast Asia. He has been active in business, and has written extensively about ethics and corporate responsibilities.

Herrington J. Bryce, Commonwealth Professor, School of Business Administration, The College of William and Mary, has been a fellow at the Institute of Politics, Harvard University, an Economic Fellow at the Brookings Institution, and a NATO Fellow in Belgium. He has been on

the faculties of the Massachusetts Institute of Technology, Clark University in Worcester, Massachusetts and the University College of the University of Maryland. He is currently completing a book, *Financial and Strategic Management for Non-Profit Organizations*, which is to be published by Prentice Hall.

Hans O. Tiefel, Professor of Religion, The College of William and Mary. Professor Tiefel has been a Kennedy Fellow in Medical Ethics at Harvard University and has taught Philosophy and Religion courses at The College of William and Mary since 1975.

R. Edward Freeman, Elis and Signe Olsson Professor of Business Administration and Director of the Olsson Center for Applied Ethics, at the Colgate Darden Graduate School of Business Administration, University of Virginia. Prior to coming to the Darden School Professor Freeman taught at the University of Minnesota, and the Wharton School, University of Pennsylvania. His most recent book, Corporate Strategy and the Search for Ethics (with Daniel R. Gilbert, Jr.) will be published by Prentice Hall in 1988. Currently he is writing Stakeholder Capitalism (with William Evan), and working on a number of projects in business ethics. Professor Freeman has served as consultant to a number of organizations such as AT&T, Pacific Telesis, United Telephone, Southwestern Bell, BATUS, Blue Cross, Veterans Administration, Cerveceria Cuauhtemoc, J.L. Shiely, Gulf Oil, and others.

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